

MINUTES OF THE COMMISSION MEETING

Chairman Dustin Johnson called the meeting to order. Present were: Vice Chairman Gary Hanson; Commissioner Steve Kolbeck; Executive Director Patty Van Gerpen; Deputy Executive Director Heather Forney; Commission Advisor Greg Rislov; Commission Attorneys Rolayne Wiest and John Smith; Staff Attorneys Karen Cremer and Kara Van Bockern; Staff Analysts Keith Senger, Harlan Best, Brian Rounds, Dave Jacobson and Bob Knadle; Consumer Affairs Supervisor, Deb Gregg; and Administrative Secretary Demaris Axthelm.

Also present were: Rich Coit, representing South Dakota Telecommunication Association.

Joining the meeting by telephone were: Suzan Stewart, Brad Howard and Katheryn Kunert, MidAmerican Energy Company; and Gregg Strumberger, Level 3 Communications, LLC.

Administration

1. **Approval of the Minutes of the Commission Meeting held on February 13, 2007, and the Ad Hoc Meeting held March 7, 2007. (Staff: Demaris Axthelm)**

Commissioner Kolbeck moved to approve the Commission Minutes of February 13, 2007 and Ad Hoc Minutes of March 7, 2007. Motion passed 3-0

Consumer Reports

1. **Status Report on Consumer Utility Inquiries and Complaints Received by the Commission. (Consumer Affairs: Deb Gregg)**

Ms. Deb Gregg reported that the Commission had received a total of 79 contacts since the last report was prepared for the March 27, 2007 Commission meeting. 18 contacts involved telecommunications services; 17 contacts involved electricity issues; 7 contacts involved natural gas issues; 11 contacts involved cellular phone issues; 14 contacts involved Do Not Call Registry; and 12 contacts involved issues not regulated by the Public Utilities Commission. In 2007, 582 of the 752 complaints registered have been resolved informally. In 2006, 2,199 of the 2,466 complaints registered have been resolved informally.

Electric

1. **EL07-007 In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy to establish a Transmission Cost Recovery Tariff and for Approval of 2007 Planned Transmission Investments to be Included in Rates. (Staff Analysts: Bob Knadle/Nathan Solem; Staff Attorney: Karen Cremer)**

Mr. Bob Knadle stated that per SDCL 49-1A-8 the Commission may require a deposit up to \$50,000 and that Staff recommends that the Commission assess a filing fee not to exceed \$50,000 with an initial deposit of \$8,000. Mr. Knadle further stated that on March 22, 2007, Chesapeake Regulatory Consulting submitted a proposed contract to the Commission for consideration regarding consulting services, with a \$25,000 dollar maximum.

Vice Chairman Hanson moved to assess a filing fee not to exceed \$50,000 with an initial deposit of \$8,000 and for approval of the proposed consulting contract. Motion passed 3-0

2. **EL07-008 In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions. (Staff Analysts: Nathan Solem/Bob Knadle, Staff Attorney: Karen Cremer)**

Mr. Bob Knadle stated that the existing contract with the City of Rosholt expired on January 11, 2007, and the city no longer required any deviations from tariffed rates. Rosholt will now be served pursuant to tariffed rates. Staff recommended approval of the tariff revisions.

Chairman Johnson moved to approve the tariff revisions in Docket EL07-008. Motion passed 3-0

Natural Gas

1. **NG07-002 In the Matter of the Filing by MidAmerican Energy Company for Approval of its 2006 Economic Development Report and its 2007 Economic Development Plan. (Staff Analyst: Keith Senger, Staff Attorney: Kara Van Bockern)**

Ms. Suzan Stewart, representing MidAmerican, stated that MidAmerican is requesting approval of its 2006 Economic Development report and its 2007 Economic development plan. Mr. Keith Senger stated that on March 9, 2007, MidAmerican filed its 2006 Economic Development year-end report and its 2007 Economic Development proposed budget. Mr. Senger traced the 2006 actual expenditures to the 2006 budget approved last year by the Commission and found MidAmerican met, and in some cases exceeded the Commission approved budget and spending goals. Additionally, Mr. Senger reviewed the 2007 proposed budget and goals. The proposed spending for 2007 agrees with the 2006 Commission approved budget with a slight decrease in the business attraction incentives and a slight increase in staff levels. Staff recommends the Commission approve the 2006 Economic Development year-end report and 2007 Economic Development proposed budget.

Commissioner Kolbeck moved to approve the 2006 Economic Development Report and 2007 Economic Development Plan. Motion passed 3-0

Telecommunications

1. **TC03-191 In the Matter of the Filing by WWC License, LLC d/b/a CellularOne for Designation as an Eligible Telecommunications Carrier in Other Rural Areas. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)**

Mr. Harlan Best stated that Alltel has requested the Commission modify the conditions contained in WWC's eligible telecommunications carrier (ETC) designation order for compliance filings in which Alltel is required to file specific data by April 1st of each year. The Commission has since changed the administrative rules and these rules require that the same material be filed by June 1st of each year. Staff recommended approval of the requested modifications.

Chairman Johnson moved to approve the requested modifications. Motion passed 3-0

2. TC06-152 In the Matter of the Application of Transamerica Telecom, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

Mr. Harlan Best stated that Transamerica Telecom Inc. (Transamerica) is requesting a waiver of the administrative rule requiring a current cash flow statement. Transamerica has agreed to not accept advanced payments or offer prepaid services prior to Commission approval, or to collect deposits and has made all tariff modifications requested by staff. Staff recommended approval of the Certificate of Authority with restrictions, and grant the waiver request.

Vice Chairman Hanson moved to grant a certificate of authority to Transamerica Telecom with restrictions and grant the waiver request. Motion passed 3-0

3. TC07-006 In the Matter of the Application of Matrix Telecom, Inc. d/b/a Matrix Business Technologies for a Certificate of Authority to Provide Local Exchange Services in South Dakota. (Staff Analyst: Brian Rounds, Staff Attorney: Karen Cremer)

Mr. Brian Rounds stated that on January 18, 2007, Matrix Telecom (Matrix) filed an application for certificate of authority to provide local exchange services in South Dakota. Matrix has provided the Commission with a \$25,000 bond that was requested by Staff and has satisfied all other outstanding requests. Staff recommends granting a Certificate of Authority, subject to a continuous \$25,000 bond requirement and subject to rural safeguards.

Chairman Johnson moved to grant a certificate of authority to Matrix Telecom d/b/a/ Matrix Business Technologies subject to continuous maintenance of a \$ 25,000 bond and subject to rural safe guards. Motion passed 3-0

4. TC07-009 In the Matter of the Filing by Level 3 Communications, LLC for a Continuation of an Exemption from Developing Company Specific Cost-Based Switched Access Rates. (Staff Analyst: Keith Senger, Staff Attorney: Kara Van Bockern)

Mr. Gregg Strumberger, Level 3 Communications, LLC's (Level 3) asserted that Level 3 business has not changed and still operates as a wholesale business. Level 3 requested an extension of the exemption because the three year term has expired. Mr. Keith Senger stated that the Commission previously issued an order granting Level 3 Communications a three year exemption from developing company specific cost based intrastate switched access rates and allowed Level 3 to mirror Qwest rates. Staff recommended the Commission grant Level 3's request for the extension and allow Level 3 to continue to use Qwest rates. Staff also recommended the extension have no time limit and Level 3 be allowed to file adjustments to its intrastate switched access tariff and rates so long as those rate adjustments either mirror or are lower than the Qwest rates. Mr. Senger further stated that this would mirror the Quest rates and avoid unnecessary filings as long as Level 3 mirror the Quest rates.

Chairman Johnson moved that the Commission grant a continuation of an exemption from developing company specific cost-based switched access rates to Level 3 Communications, LLC (Level 3), allow Level 3 to mirror Qwest intrastate switched access rates with no time limitation, to allow Level 3 to mirror the Qwest intrastate switched access rates with no time limitation and allow Level 3 to file adjustments to its intrastate switched access tariff so long as those rate adjustments either mirror Qwest's rates or are lower. Motion passed 3-0

5. **TC07-015 In the Matter of the Filing by OrbitCom, Inc. f/k/a VP Telecom for Approval of Its Intrastate Switched Access Tariff. (Staff Analyst: Harlan Best, Staff Attorney: Kara Van Bockern)**

Mr. Harlan Best stated that OrbitCom has added language to its jurisdictional reporting requirements within its switched access tariff which makes the language similar to other companies' tariff language. Staff recommends acceptance of the language changes.

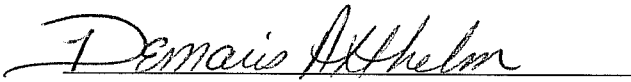
Commissioner Kolbeck moved to approve the tariff revisions in Docket TC07-015.
Motion passed 3-0

6. **TC07-016 In the Matter of the Filing by DakotaComm, LLC for Approval of Revisions to its Switched Access Services Tariff. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)**

Mr. Harlan Best stated that DakotaComm received a three year exemption in Docket TC04-222 which was approved December 17, 2004. At that time, DakotaComm agreed to refunds should the final LECA Plus rate be lower. The Commission later accepted the LECA Switched Access settlement agreement which provided that no refunds were to be made. DakotaComm has agreed to the new LECA Plus rate of \$0.1225 for the remainder of this year since this is the last year of the three year period. Staff recommended that DakotaComm not be required to make refunds and that an effective date of January 1, 2007, be approved for the revised rate.

Chairman Johnson moved to approve the Tariff revisions and not require refunds to be made. Motion passed 3-0

Meeting adjourned.


Demaris Axthelm
Administrative Secretary